♥Sanitized - Approved For Release : CIA-RDP82-00457R000400640005-6 Document No. NO CHANCE in Class. DECLASSIFIED Class. Carroll Co: TS DDA Mcmo, 4 Apr 77 DDA REG. 77/1763 25X1A Auth: DDA REG. Date: 100498 By: 0 RAL INTELLIGENCE GROUP INTELLIGENCE REPORT COUNTRY Hungary Imre Kovacs' Resignation from SUBJECT DIST. 31 March 1947 the National Peasant Party PAGES 25X1A SUPPLEMENT 25X1X ORIGIN The long-standing crisis within the Hungarian National Peasant Party came to a head with the announcement of the resignation from the party of Imre Kovács on 26 February. The issue at stake was extremist cooperation with the workers! parties against what many considered the national interest. Kovács was the founder of the National Passant Party in 1939, its leader during the war-time resistance days and most recently, its vice-chairman. Kovács' resignation is a personal victory for Péter Veres, chairman of the National Peasant Party, who is at present directing the party's definitely pro-Soviet policy. Veres, who is tainted with Nazi collaboration, is now popularly regarded as a "nationalist bolshevik". He forced Kovacs' resignation at a moment when the latter's personal position was compromised as a result of his wife's arrest by American authorities in Vienna for black market operations. As a consequence of this or arrassment, plus the delicate political situation current in Hungary, Kovaca is

- prevented from effecting a schism in the National Peasant Party. Ordinarily he could easily bring about such a split, since he has the support of a majority of National Peasant Party members in Parliament as well as the backing of the provincial party organizations. Veres controls the party's Central Committee.
- The completeness of Veree' victory is evident in the reorganization of the party's leadership following lovacs' resignation. The subsequently elected seven man Political Executive Committee consists entirely of extreme left-wing members: Péter Veres, President Ferenc Erdel, General Secretary Ferenc Gem, Deputy General Secretary Laszló Nánasi, Deputy General Secretary József Darvas

Ferenc Farkas Pal Szabo

Kovacs is expected to be taken into the Small Holders Party where he will be given an important position. He will probably take with him a large number of dissatisfied National Peasant Party members. 25×1A

comment: Veres has since become the Minister of Reconstruction in the Hungarian cabinet. He was born a peasant and has been imprisoned during the Horthy regime. He is 50 years old.)

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